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BEFORE THE ARIZONA CORPORATION

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Arizona Corporation Commission

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AUG 04 2014

COMMISSIONERS

BOB STUMP - Chairman

GARY PIERCE

BRENDA BURNS

BOB BURNS

SUSAN BITTER SMITH

2014 AUG -4 P 2:16

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE OF
ITS UTILITY PLANT AND PROPERTY AND
FOR ADJUSTMENTS TO ITS RATES AND
CHARGES FOR UTILITY SERVICE
FURNISHED BY ITS EASTERN GROUP AND
FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-11-0310

STAFF'S NOTICE OF ERRATA
RE: DECISION NO. 74590

ORIGINAL

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") hereby files this Notice of Errata to correct the Caption and replace the first page of Decision No. 74590. On May 30, 2014, Arizona Water Company ("AWC" or "Company") filed an Application in Docket No. W-01445A-11-0310 for Authority to Implement System Improvement Benefits Surcharge. The Company used the following caption for its application:

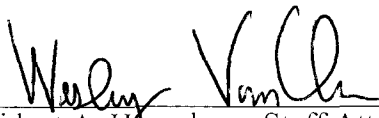
IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY FOR
AUTHORITY TO IMPLEMENT A SYSTEM IMPROVEMENT BENEFITS SURCHARGE IN ITS
COCHISE SYSTEM.

On July 9, 2014, Staff filed a Memorandum and Proposed Order that utilized this same caption. The Commission at the July 22, 2014 Open Meeting approved the Company's application and issued Decision No. 74590 on July 30, 2014. However, at some point during the processing of Decision 74590, it appears that the first page was inadvertently replaced with the first page from Decision No. 74602 for an Arsenic Cost Recovery Mechanism in this same docket. In addition both AWC and Staff utilized the wrong caption in their pleadings. The caption for this decision should match the caption associated with Docket No. W-01445A-11-0310, which reads as follows:

1 IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY FOR A
2 DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY, AND
3 FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED
4 BY ITS EASTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

5 Staff has attached a corrected first page for Decision No. 74590 that reflects the correct
6 caption for this docket and is the correct first page for Decision No. 74590. Staff requests that the
7 first page of Decision No. 74590 be replaced with the corrected page attached hereto as Attachment
8 A.

9 RESPECTFULLY SUBMITTED this 4th day of August, 2014.

10 
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18 Original and thirteen (13) copies
19 of the foregoing were filed this
20 4th day of August, 2014 with:

21 Docket Control
22 Arizona Corporation Commission
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 Copies of the foregoing were emailed/
26 and/or mailed this 4th day of August 2014, to:

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ATTACHMENT 1

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 BOB STUMP

 Chairman

3 GARY PIERCE

 Commissioner

4 BRENDA BURNS

 Commissioner

5 BOB BURNS

 Commissioner

6 SUSAN BITTER SMITH

 Commissioner

7
8 IN THE MATTER OF THE APPLICATION }
9 OF ARIZONA WATER COMPANY FOR A }
10 DETERMINATION OF THE FAIR VALUE }
11 OF ITS UTILITY PLANT AND PROPERTY, }
12 AND FOR ADJUSTMENTS TO ITS RATES }
13 AND CHARGES FOR UTILITY SERVICE }
14 FURNISHED BY ITS EASTERN GROUP }
15 AND FOR CERTAIN RELATED }
16 APPROVALS }

DOCKET NO. W-01445A-11-0310

DECISION NO. 74590

ORDER

13 Open Meeting
14 July 22 and 23, 2014
15 Phoenix, Arizona

16 BY THE COMMISSION:

17 FINDINGS OF FACT

18 Background

19 1. On June 27, 2013, the Arizona Corporation Commission ("Commission") issued
20 Decision No. 73938 approving, with certain modifications described therein, a Settlement Agreement
21 between Arizona Water Company ("AWC" or "Company"), the Commission's Utilities Division Staff
22 ("Staff") and various other intervenors setting forth the details of a system improvement benefits
23 ("SIB") mechanism, which is similar to the distribution system improvement charge ("DSIC")
24 mechanism sought by AWC.

25 2. On April 22, 2014, the Commission issued Decision No. 74463 affirming Decision
26 Nos. 73736 and 73938 on rehearing.

27 3. The SIB mechanism is a ratemaking device designed to provide for the timely recovery
28 of the capital costs (depreciation expense and pre-tax return on investment) associated with certain